

# Financial and Commercial News

By L. D. TIMMONS

## CAUSES OF HIGH COST OF LIVING

The increased supply of gold, together with a great expansion of banking and credits; the waste on military establishments that eat up billions and must be paid for by all of us; public and private extravagance; national carelessness, and methods of distribution of commodities that are primitive and very costly, are the causes that the Massachusetts Commission gives on the cost of living nowadays.

The report sets forth plainly that we in the United States are at the turning point of a new epoch. We have filled up our surplus lands with the people we invited to citizenship. Land now costs and must pay upon capital invested. There are no longer vast, uncounted stores of resources free or very cheap, to count on. We must become economical and make everything count, without waste. Shortly we will cease to export food and begin to import. Our profits are no longer so large that we ignore costs. Therefore, we must, as a nation, begin to think of useless expenditures we make, and cut them off, for they come home to and have to be paid for by all of us.

Particularly the report makes clear how every man, woman and child, and particularly the wage-earners, those who rent and those who buy from hand to mouth, pay for things that they think others pay for; how the taxes, direct and indirect are passed along by those who get the bills, figuring in added costs on all kinds that the person who eats the food, or wears the cloth, or rides on the car, finally pays in added price. How even losses by fire and the profits of useless trade customs, and even of advertising, come from the consumer.

Incidentally, after some figures showing what things cost today, as compared with a dozen years ago, the commission gives some homely advice about household expenses cut down by buying the groceries more carefully. These are the solemn economic facts side by side, with the points on buying rolled oats.

Of the tariff the commission says: "With regard to the tariff, the facts that prices have fallen and risen during long periods without relation to changes in duties, that prices have been rising in Great Britain under free trade, and that large increases have taken place in the prices of commodities not appreciably affected by the tariff, show conclusively that the tariff is not a factor in the recent upward movement of prices in this country. On the other hand, however, it is clear that in a period of rising prices like the present the tariff cuts off possible relief to consumers by closing access to the cheapest sources of supply in the world's markets. In the past the duties on the necessities of common consumption, foodstuffs, have been largely inoperative, because the country produced not only its own food supply, but a large surplus for exportation.

"The United States appears, however, to be approaching rapidly the turning point, when it will become instead of a food exporting, a food importing country. Under these conditions, as the duties on foodstuffs become actually operative, their effect must be to increase the cost of living to wage earners and the expense of production to manufacturers, thus hampering the development of industry and defeating the very purpose of the protection policy. The commission is therefore of the opinion that when the tariff shall further be revised the expediency of removing

## CURTAILMENT OF LOANS BY BANKS

NEW YORK, July 27.—It does not appear from conditions of national banks, June 30, that curtailment of loans has been as successful as expected. In the middle and western sections where it was believed that banks were drawing down loans at every opportunity, 12 of 17 states reported increase in loans. The states that did decrease loans were Wisconsin by \$38,661, Iowa by \$2,129,362, Missouri by \$795,654, Nebraska by \$862,318, and Kansas by \$752,894.

Compared with a year ago each of these 17 states except Nebraska increased loans. Illinois shows an increase of over \$18,000,000 and Ohio of over \$16,000,000.

Of eastern and southern states only Mississippi reported a decrease. In the whole country only nine states have drawn their loans down from March 29, 1910.

The reserve cities present a better showing. The three central reserve cities, New York, Chicago and St. Louis, all reported decreases. New York's amounting to \$32,023,299, St. Louis to \$10,861,701 and Chicago to \$11,342,723.

In the eastern reserve cities Boston, Albany and Philadelphia showed smaller loans. In the South and middle West cities, only seven reported increases.

Salt Lake City is the only city in the Pacific coast section that showed a decrease. Seattle reported an increase of almost \$9,000,000 and San Francisco of over \$3,000,000.

Loans of all national banks June 30 were \$5,430,159,186, against \$5,432,093,000 on March 29, 1910, a decrease of \$1,934,009. Compared with June 23, 1909, however, there is an increase of almost \$400,000,000. It is little wonder that the per cent. reserve decreased in that period 1.15 per cent.

### PROMOTION COMMITTEE.

A meeting of the Hawaii Promotion Committee will be held at 3 o'clock this afternoon.

ing all duties on our products shall be considered carefully by the national Congress.

Of expenditures for military purposes pensions, etc., the report says: As showing the enormous demands that militarism makes upon resources let us first note the comparative expenditures of the national Treasury for the thirty-one years from 1879 to 1909. The figures are given both in amounts and in percentages of the whole national revenue, as follows:

	P.C.
Army .....	\$2,465,096,477 20.2
Navy .....	1,456,795,867 11.9
Pensions .....	3,499,883,822 28.7
Interest .....	1,309,026,795 10.7

Total .....

It is worth recalling that during the life of the Republic we have spent for all purposes the sum of \$21,518,871,351 and of this amount \$16,567,677,135 was devoted to militarism and its incidents and only \$4,951,194,216 to activities of peace. It is particularly worthy of note that the money spent on militarism by this Republic in the 126 years of its political life exceeds the gold production of the world since the discovery of America by \$3,000,000,000. These figures are impressive.

## OAHU SUGAR STOCK RECOVERS GROUND

The unfortunate mixing of the name of the Oahu Sugar plantation with a Territorial government scheme, or suggestion, of official jurisdiction over and regulation of the artesian water supply of Oahu plantations, did not have the anticipated effect of lowering Oahu stock this morning. In fact the stock was stronger than it has been in some days, and a number of buying orders for it are out. The faulty statement in regard to water had a good effect, however, probably to bear out the old saying that "there's good in everything." To particularize, it coaxed out facts in regard to Oahu plantation that had never been well understood before; and the public generally now knows more of actual conditions down there than it has ever heretofore been privileged. The result will undoubtedly be that Oahu will speedily take its former high place in the estimation of investors.

Sales of 10 and 5 Oahu were made at \$31.75, after which \$31.625 was bid and \$31.875 asked.

Hawaiian Commercial went up as a result of the coming extra dividend, 100, 150 and 100 shares selling at \$41.125. At the close of today's session \$41 was bid and \$41.125 asked.

Between boards—200 Ewa sold at \$33.875, but on the board this morning 25 shares brought only \$33.75. At the close \$33.625 was bid and \$33.875 asked.

A sale of 25 Paauhau was made at \$26.75, after which \$26.50 was bid. McBryde bonds were in demand, although only \$1000 sold. The figure in this transaction was \$98.50.

A large block of Brewster's changed hands in small lots, 5, 5, 40, 5, 25, 25 and 15 shares selling at \$21.75.

Olaa was sold as a rock, but not high. Fifty shares found a buyer at \$6.50, after which the same was bid for more and \$6.625 asked.

## THE COMPTROLLER STIRS UP BANKS

WASHINGTON, July 27.—The comptroller of the currency, Lawrence Murray, is hearing from the speech he made recently in Boston to Federal bank examiners regarding the evils of leniency, and the word is favorable. The banks of the country generally seem to agree that the comptroller is right, and that he should be supported in his desire to make banking safer. The carrying out of his program, it is said, will reduce bank failures to a minimum.

As a part of the comptroller's policy, the weak banks of the country are to be "jacked up," and they told they must strengthen themselves or be taken in hand for liquidation. The powers of the comptroller of the currency in this regard are autocratic and absolute, and it is quite possible that because of this very fact considerable leniency has been shown weak banks in the past. Rather than cause hardships to depositors, the mailed fist has been withheld in the past so that banks might pull themselves together.

But there is to be a change in policy. The present occupant of the comptroller's office believes that this leniency has not worked for the good of business generally, and he will bring his authority to bear to stop it. The examiners are now to transmit to the weak banks the comptroller's ultimatum. There must be in the future no impairment of capital, no reduction of the surplus reserve beyond the prescribed limits, no bad paper in the vaults, no shirking of duty by bank directors. Banks which persist in the future in doing the things that are now forbidden will be compelled to accept the consequences of their acts. They will no longer be coddled. They have had their warning, and if this is not heeded radical measures will follow.

Comptroller Murray believes, as the result of his wide experience, that it will be better to take the situation in hand and liquidate weak banks where there is a chance to save deposits, than to risk bad failures in the future. And the substantial bankers of the country, who have been heard from in large numbers, are telling him that he is right.

In some localities it is pointed out as the result of official investigation there are too many national banks. The frequent consolidations are held to be proof of this. In other quarters there are not enough of these banks. Hereafter, with a view of securing a more even distribution, the establishment of new banks will be authorized, and even

## PREPARING FOR ANNUAL ELECTION

President Morgan and Secretary H. P. Wood were in their places for the meeting of the Chamber of Commerce yesterday afternoon. This being a business session of the trustees, only urgent matters were taken up.

Chairman E. E. Paxton, of the Hilo wharf committee, was given more time on account of the fact that the Merchants' Association also has a committee working on the matter and he thought it might be better to have both committees report at about the same time.

President Morgan reported a visit to the tuberculosis camp and stated that excellent work was being done there. The Chamber contributes \$100 monthly to this work, and the President considered the money well expended.

F. A. Schaefer, J. R. Galt, and W. F. Dillingham, of the nominating committee, handed in the following names for trustees for the coming year: James F. Morgan, J. P. Cooke, H. P. Wood, B. F. Dillingham, Robert Catton, J. W. Waldron, A. W. T. Bottomley, J. D. Dole, R. Ivers, F. Klamp, J. A. Kennedy, E. E. Paxton, E. L. Spaulding, E. H. Wodehouse and E. D. Tenney.

Inasmuch as President Morgan is shortly going away, the date for the election of trustees and other officers was advanced to August 16.

The matter of entertaining visiting Chamber of Commerce people arriving here from the coast was referred to the entertainment committee.

The following report and resolutions were submitted and adopted unanimously:

Honolulu, Hawaii, July 20, 1910.  
Mr. James F. Morgan, President Honolulu Chamber of Commerce.

Dear Sir:—Your special committee appointed at the last regular meeting of the board of trustees held July 13 for the purpose of drafting a resolution of regret on account of the death of Mr. Alexander Young, a member of the chamber, begs to submit herewith a form of resolution for consideration.

then proposed new banks must be promoted by local men, from whom the officers must be chosen.  
This is a new deal in the banking business in this country, but the word the comptroller is receiving from all parts of the country is that it is satisfactory to the better classes of bankers and depositors, and will be regarded as a step forward.

### SUGAR IN FORMOSA.

A recent consular report from Formosa gives the following interesting information:

"The Taiwan Setto Kaisha, the largest sugar company in Formosa, has six plants, all equipped with American machinery. This company is capitalized at \$5,000,000, with a paid-up capital of \$2,750,000. At Aiko, where the largest plant of the company is located, an extension is building which when completed, will be the largest sugar mill in the world. Besides the mill machinery of these companies, American steel is used in the framework of the steel structures, American locomotives, American cane cars, and permanent and portable tracks complete the list.

The Gregg cane cars, of which there are 2,000 in use, were manufactured at Newburgh, N. Y."

The Honolulu Iron Works Company has erected in and has taken other orders for sugar mills in this locality.

By this body as hereto attached. Respectfully submitted,

ALLEN W. T. BOTTOMLEY,  
ELMER E. PAXTON.

"WHEREAS, It has pleased Almighty Providence in his divine wisdom to remove from our midst our valued friend and fellow townsman, Alexander Young, and

"WHEREAS, In his death the Territory of Hawaii has lost a wise benefactor and one of its most esteemed and public spirited citizens, and

"WHEREAS, The late Mr. Alexander Young was for many years a prominent member of this Chamber;

"NOW THEREFORE, BE IT RESOLVED, That the Honolulu Chamber of Commerce, in session duly convened, does hereby express its deep sorrow and regret at the great loss which has been sustained in the death of Mr. Alexander Young, and its deep sympathy for his widow and family.

"AND BE IT FURTHER RESOLVED, That the Secretary be instructed to spread this resolution on the minute book of the Chamber, and to transmit a copy of the same to the family of the deceased."

## STOCK EXCHANGE

10.30 A. M.

Between Boards—100 H. C. & S. Co. \$41.125; 100 H. C. & S. Co. \$41.125; 50 H. C. & S. Co. \$41.125; 100 H. C. & S. Co. \$41.125; 200 Ewa \$33.875; 25 Paauhau \$26.75; \$1000 McBryde 6s \$98.50

Session Sales—5 Hon. B. & M. Co. 21.75; 5 Hon. B. & M. Co. \$21.75;

25 Hon. B. & M. Co. \$21.75; 25 Ewa \$23.75; 40 Hon. B. & M. Co. \$21.75; 10 Oahu Sugar Co. \$31.75; 5 Oahu Sugar Co. \$21.75; 25 Hon. B. & M. Co. \$21.75; 50 Olaa \$6.50; 25 Hon. B. & M. Co. \$21.75; 5 Hon. B. & M. Co. \$21.75; 5 Hon. B. & M. Co. \$21.75; 5 Hon. B. & M. Co. \$21.75;

Stock.	Bid.	Asked.
C. Brewer & Co.	\$400.00	\$.....
Ewa Plant Co.	33.625	33.875
Haw. C. & S. Co.	41.00	41.125
Honolulu Sug. Co.	150.00	.....
Honokaa	18.00	.....
Haiku Sug. Co.	148.00	.....
Hutchinson	17.00	18.00
Kahaka Sug. Co.	200.00	225.00
Koloa Sug. Co.	160.00	.....
McBryde Sug. Co.	6.25	6.375
Oahu Sugar Co.	31.625	31.75
Onomea	46.00	.....
Olaa Sugar Co.	6.50	6.625
Paauhau	26.50	.....
Pacific Mill Co.	.....	140.00
Paia Plant.	148.00	.....
Pepeekeo	150.00	.....
Pioneer Mill Co.	226.00	230.00
Waialua Ag. Co.	129.125	129.50
Walluku	175.00	.....
Waimanalo	220.00	.....
Waimoa Mill Co.	.....	150.00
I. I. S. N. Co.	.....	122.50
Hawaiian Elec. Co.	200.00	.....
Hon. R. T. Co. pfd.	105.00	.....
Hon. R. T. Co. com.	105.00	.....
Mutual Tel. Co.	.....	15.00
O. R. & L. Co.	140.00	144.50
Hon. B. & M. Co.	21.75	21.875
Haw. Pine Co.	.....	33.00
Pahang Rub. Co.	17.00	.....
Haw. Ter. (FC) 4s.	100.00	.....
Haw. Ter. (R) 4s.	100.00	.....
Haw. Ter. 4 1-2s.	100.00	.....
Haw. Ter. 4 1-4s.	100.00	.....
Haw. Ter. 3 1-2s.	100.00	.....
Cal. Ref. Co. 6s.	99.75	.....
Hammakua Ditch 6s.	103.50	.....
Haw. Ir. Co. 6s.	102.25	103.00
Haw. Com. Co. 6s.	105.00	.....
Hilo R. R. Ex. 6s.	.....	98.00
Honokaa 6s.	103.00	103.50
Hon. R. T. Co. 6s.	106.00	.....
Kauai R. R. 6s.	.....	100.00
Kohala Ditch 6s.	.....	100.25
McBryde Co. 6s.	.....	98.75
O. R. & L. Co. 5s.	.....	102.50
Mutual Tel. 6s.	101.75	.....
O. R. & L. Co. 5s.	.....	102.50
Olaa Sugar Co 6s.	93.75	94.25
Pacific Mill 6s.	102.00	.....

Sugar 4.39c  
Beets, 14s, 11d

Henry Waterhouse Trust Co.  
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FORT AND MERCHANT STS.

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HE—Why, darling! I didn't think you'd do such a thing! Anyone would think we were married instead of engaged.